

Overview of the new Markets in Crypto-Assets Act

I. Introduction

The Bulgarian Parliament recently adopted the new Markets in Crypto-Assets Act (**MCAA**), which was promulgated in the State Gazette on 4 July 2025. The new legislation will supplement the authorisation requirements under Regulation (EU) 2023/1114 on Markets in Crypto-Assets (**MiCA**) and strengthen the regulatory framework for the public offering of crypto-assets and the provision of crypto-asset services in Bulgaria. The MCAA enters into force today, 8 July 2025.

While MiCA establishes a comprehensive framework governing the offering of crypto-assets and the activities of CASPs, the adoption of the MCAA was both anticipated and necessary to designate the competent authorities responsible for the authorization of different types of crypto-assets and CASPs, as well as to impose additional national requirements concerning supervisory functions, supporting documentation and sanctions in case of violation of the provision of MiCA. Below, we outline some of the principal provisions of the new MCAA.

II. National Competent Authorities

The MCAA establishes the legal framework necessary to allow for the application of MiCA authorisation requirements in Bulgaria.

The primary objective of the MCAA is to designate the national competent authorities (**NCA**) under MiCA. The MCAA assigns the Bulgarian National Bank (**BNB**) as the authority responsible for granting authorisations for the issuance of e-money tokens (**EMTs**), while the Financial Supervision Commission (**FSC**) is tasked to oversee asset-referenced tokens (**ARTs**) and other crypto-assets that fall outside the scope of ARTs or EMTs, including utility tokens. Additionally, the FSC will handle the authorisations of crypto-asset service providers (**CASPs**). Credit institutions intending to offer ARTs to the public or seek their admission to trading will be required to obtain approval of their crypto-asset white paper by the FSC.

The MCAA outlines the supervisory role of the FSC, while the powers of the BNB will be further set out in the Payment Services and Payment Systems Act.

The MCAA also establishes a **formal cooperation framework** between the FSC and the BNB in matters concerning credit institutions that act as CASPs or issuers. In particular, the FSC is required to notify the BNB in two specific cases:

- When the FSC imposes measures under Article 46(3) and (4) of MiCA concerning recovery actions or the temporary suspension of redemptions by credit institutions issuing ARTs;
- When the FSC imposes a coercive administrative measure under the MCAA against a credit institution acting as a CASP or an issuer of ARTs.

The FSC may also propose to the BNB the revocation of a credit institution's authorization to issue ARTs or to operate as a CASP, if the institution systematically violates MiCA, the MCAA, or related implementing acts.

III. Additional Requirements for Key Individuals in CASPs

In addition to the governance standards established by Article 68 of MiCA, the MCAA introduces further mandatory conditions for individuals in key roles within CASPs, including members of the management body, those who effectively control the business, and qualifying shareholders. These conditions are designed to ensure that such persons maintain high levels of integrity and professional reliability.

IV. Administrative Sanctions and Coercive Measures

One of the main objectives of the MCAA is to establish a clear and robust enforcement framework for MiCA by granting the FSC powers to impose administrative sanctions and apply coercive measures to protect investors. Sanctions under MiCA cover a wide range, depending on the nature and severity of the breach.

Beyond financial penalties, the FSC is empowered to impose temporary or permanent bans on specific activities, issue recommendations or warnings, suspend operations or even revoke authorizations. Moreover, when other remedies prove insufficient to stop violations, the FSC can implement preventive measures such as blocking or removing access to online platforms, domain names, or content linked to unlawful crypto-asset services. These powers include instructing: (i) hosting providers to remove, block or restrict access to an online interface or mobile application; (ii) domain registries to completely delete a specific domain name and allow the FSC to register it, and (iii) third parties to remove content, restrict access to an online interface, or display explicit warnings to an online interface or (iv) providers of online platforms or online interfaces to remove, block, or restrict access to profiles of persons providing information or advertising crypto-asset services in violation of the MCAA and MiCA.

For companies violating the MCAA and MiCA, the FSC can also request the competent court to impose an attachment or seizure on their assets when immediate effective protection of the interests of crypto-asset holders and service users is required.

V. Application of Transitional Measures under Article 143 of MiCA

Another topic addressed in the final version of the MCAA concerns the applicability of the **grandfathering clause** under Article 143, paragraph 3 of MiCA to CASPs. This provision allows CASPs that were providing services in compliance with applicable law before **30 December 2024** to continue their operations until **1 July 2026** or until they are granted or denied authorisation under MiCA, whichever occurs first.

Under MiCA member states are not required to implement this transitional regime to CASPs and can also reduce its duration **if they consider that their national regulatory framework in place before 30 December 2024 is less stringent than MiCA.**

Bulgaria's decision on this matter was reflected in the MCAA, which states that the transitional regime applies to:

- Individuals and entities who provide by way of occupation (i) exchange services between virtual currencies and recognised currencies except for gold backing, (ii) transfer or exchange services against virtual assets, (iii) storage and management services in respect of virtual assets which give control over the assets, and (iv) services related to public offering of virtual assets; and
- Portfolio providers offering custody services,

who by 30 December 2024 have been registered for AML purposes in the electronic public registry maintained by the National Revenue Agency (**NRA**) under the AML Act. These persons may continue to provide the above services without authorisation until **1 July 2026** or until authorisation is either granted or refused under MiCA, whichever comes first. This approach is likely to be well received by the crypto community, as it takes full advantage of the grandfathering period provided in MiCA, given that the initial draft law provided for a transitional period until 31 December 2025.

In addition, pursuant to the MCAA, persons entered in the register maintained by the NRA between 30 December 2024 and the date of entry into force of the MCAA are granted a transitional period of **3 months from the date of entry into force** of the law to submit an application for authorisation as a CASP.



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